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PRESS RELEASE

FOR IMMEDIATE RELEASE
DATE: March 28, 2002

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**LEXINGTON WOMAN PLEADS GUILTY
IN INSURANCE FRAUD SCAM CASE**

Jackson, TN - Terrell L. Harris, U.S. Attorney for the Western District of Tennessee, announced today that Shirley Huckaby pled guilty this afternoon before Chief U.S. District Court Judge James D. Todd to a one count Information charging her with a money laundering conspiracy. Sentencing has been set for June 7, 2002.

According to the Information, Huckaby conspired with Raymond C. Marcum to conduct financial transactions with proceeds from an unlawful activity in order to conceal or disguise the true nature or ownership of the proceeds and engaged in money transactions with criminally derived property valued greater than \$10,000. As part of the conspiracy alleged in the Information, Huckaby and Marcum devised a scheme to defraud certain public entities in Henderson County, Tennessee, through inflated and double billing of insurance premiums and the retention of premium refunds and premium credits intended to be passed on to the clients. The Information states that the City of Lexington, Henderson County, the Lexington Electric System, the Henderson County Rescue Squad,

and the Town of Sardis, were defrauded of \$722,151.84 in funds. These funds were deposited into the bank accounts of Marcum Insurance Agency.

The Information alleges various specific acts conducted by Huckaby at Marcum's direction during the conspiracy, including: (1) around June 23, 1995, Huckaby prepared and sent to Henderson County, Tennessee, invoices reflecting inflated premiums for workers' compensation insurance, property insurance, and casualty insurance resulting in an overpayment of \$29,030.17 for the policy year July 1, 1995 to July 1, 1996; (2) on or about November 9, 1990, Huckaby prepared and sent to the City of Lexington, Tennessee, an invoice reflecting an inflated premium for liability insurance through the Tennessee Municipal League Risk Management Pool, resulting in an overpayment of \$17,060 for policy year November 15, 1990 to November 15, 1991; and (3) during July 1998, Huckaby prepared an invoice to Henderson County Rescue Squad for payment containing premiums for insurance that has already been billed to Henderson County, Tennessee, resulting in an overpayment of \$5,136 for the policy year July 1, 1998 to July 1, 1999.

Huckaby faces a maximum penalty of 20 years imprisonment, a fine of \$500,000 or twice the value of the financial transactions involved, and 3 years supervised release.

This investigation was conducted by IRS-Criminal Investigation Division, the Tennessee Bureau of Investigation, and the Tennessee Comptroller of the Treasury. Assistant U.S. Attorney Len Register prosecuted the case for the government.

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